PROCEEDINGS OF THE TRAVANCORE-COCHIN LEGISLATIVE ASSEMBLY.

Second Session 1955

Monday, the 21st March 1955.

Vol. XIII] **OFFICIAL REPORT** [No. 3.

The Assembly met in the Assembly Chamber, Trivandrum, at Ten of the Clock on Monday, the 21st March 1955, with Mr. Speaker in the Chair.

Mr. Speaker: Order, order. The Minister for Finance will make his statement on the Budget for 1955-56.

Statement by the opposition.

ശ്രീ. ടി. വി. തോമസ്സ്: സർ, ബഡ്ജററ് അവതരിപ്പിക്കുന്നതിനു മുമ്പായി പ്രതിപക്ഷത്തിന്റെ പേരിൽ, അങ്ങയുടെ അനുവാദത്തോടുകൂടി ഒരു പ്രസ്താവന ചെയ്യുവാൻ ഞാനാഗ്രഹിക്കുന്നു. കാൺഗ്രസ്സ് സർക്കാർ അധികാരത്തിൽവന്നതു് ജനായത്ത ഭരണതത്വങ്ങൾക്ക് വിരുദ്ധമാണെന്നു ആരോപിക്കുവാനല്ല ഞാനിപ്പോൾ എഴുന്നേററു നിൽക്കുന്നതു്. എന്നാൽ കാൺഗ്രസ് അധികാരത്തിൽ വന്നതിനു ശേഷം ഈ സർക്കാർ ചെയ്തിരിക്കുന്ന ഏതു നടപടി നോക്കിയാലും ജനപ്രതിനിധികളുടേയും ജനങ്ങളുടെയും അവകാശങ്ങളേയും സ്വാതന്ത്ര്യങ്ങളേയും ധ്വംസിക്കുന്നതായി കാണാം. ഈ വിഷയത്തിൽ ഗവണ്മെന്റ് സ്വീകരിക്കുന്ന നയത്തെ പ്രതിഷേധിക്കാതെ തരമില്ല. സർ, ഗവണ്മെന്റ് സ്വീകരിക്കുന്ന പരിപാടികളും ആസൂത്രണം ചെയ്യുന്ന പദ്ധതികളും ജനങ്ങൾ മനസ്സിലാക്കുന്നതു് ഇതുപോലുള്ള ബഡ്ജററ് അവതരിപ്പിക്കുന്നതിനു മുമ്പു ചെയ്യുന്ന നയപ്രഖ്യാപനം കൊണ്ടാണു്. അങ്ങനെയുള്ള നയപ്രഖ്യാപനം ചെയ്യുന്നതു് വ്യവസ്ഥാപിത ഭരണത്തലവനാണു്. അങ്ങനെയൊരു നയപ്രഖ്യാപനം ഉണ്ടായിക്കഴിഞ്ഞാൽ അതേസംബന്ധിച്ചു വാദപ്രതിവാദം ചെയ്യുന്നതിനും അഭിപ്രായപ്രകടനം നടത്തുന്നതിനും ഉള്ള ജനപ്രതിനിധികളുടെ അവകാശത്തേയും നിഷേധിക്കാവുന്നതല്ല. അങ്ങനെയുള്ള ഒരു നയപ്രഖ്യാപനത്തെ ആശ്രയിച്ചാണു് ഗവണ്മെന്റ് അവതരിപ്പിക്കുന്ന ബഡ്ജററിന്റെ രൂപം കൊള്ളുന്നതു്. ഈ മാതിരിയുള്ള ഒരു നയപ്രഖ്യാപനം—ജനപ്രതിനിധികളെ സംബന്ധിച്ചിടത്തോളം അവകാശപ്രഖ്യാപനം—ഈ ഗവണ്മെന്റിനെ സംബന്ധിച്ചിടത്തോളം ഉണ്ടായിട്ടില്ല. അതു് വേണ്ടായെന്നാണു് കാൺഗ്രസ് മന്ത്രിസഭ തീരുമാനിച്ചതു്. എന്നു പറഞ്ഞാൽ ഗവണ്മെന്റ് നയത്തെപ്പററി അഭിപ്രായം പറയാനും വാദപ്രതിവാദം ചെയ്യാനും ഉള്ള ജനപ്രതിനിധികളുടെ അവകാശം

അദ്ദേഹം നിഷേധിക്കുകയാണ്. എല്ലാ അധികാരങ്ങളും അദ്ദേഹത്തിൽ കേന്ദ്രീകരിക്കാൻ പോകുകയാണ്. സർ. സി. പി. രാമസ്വാമിഅയ്യർ പണ്ട് പട്ടാളത്തിന്റെ തലവനായതുപോലെ എല്ലാ അധികാരങ്ങളും ഭരണത്തലവന്റെ അധികാരംപോലും, ഇന്നത്തെ മുഖ്യമന്ത്രി കയ്യടക്കി വച്ചിരിക്കുകയാണ്. ഈ ഫാസിസ്റ്റ് ഭരണരീതി ഞങ്ങൾക്ക് സഹിക്കാൻ നിവൃത്തിയില്ല. എന്തു പറഞ്ഞാലും പ്രചരണത്തിനാണെന്നു പറഞ്ഞു തള്ളിയതുകൊണ്ടായില്ല. കുട്ടനാട്ട് ഒരു പ്രവർത്തകനെ തല്ലി എല്ലൊടിച്ചതിനെപ്പറ്റി പറഞ്ഞപ്പോൾ വെറും പ്രചരണത്തിനു വേണ്ടിയാണ് പറയുന്നതെന്നു പറഞ്ഞു. അടുത്ത ഒരു ദിവസം ചെമ്പൻ എന്നു പേരുള്ള ഒരാളിനെ പോലീസ്സ്റ്റേഷനലേക്ക് വിളിച്ചുകൊണ്ടുപോയതും അതിനടുത്ത ദിവസം ഒരു മരത്തിൽ തൂങ്ങിനിൽക്കുന്നതായി കണ്ടതും പ്രോപ്പഗാൻഡായ്ക്കു വേണ്ടിയായിരിക്കാം.

ഏതായാലും ഇങ്ങനെ ഭരണഘടനയെ ചോദ്യം ചെയ്യുന്നതിൽ ഞങ്ങൾക്കു പ്രതിഷേധമുണ്ട്. അതിലുള്ള രോഷപ്രകടനം എന്ന പേരിൽ ഈ ബഡ്ജറ്റ് അവതരണത്തിൽ ഞങ്ങൾ നിസ്സഹകരിക്കാൻ വിചാരിക്കുകയാണ്. അതുകൊണ്ട് ഞങ്ങൾ വാക്കൗട്ട് നടത്തുന്നു.

(Shri T. V. Thomas and his Party walked out.)

Shri A. Thanu Pillai: Sir, In view of the farcical and utterly irresponsible way in which Government are managing the public affairs, my party also refrains from listening to the speech of the Finance Minister (Laughter and cries of 'hear, hear')

Yes, you will hear more things, my friends. (Renewed laughter).

(Shri A. Thanu Pillai and his party then walked out.)

ശ്രീ. കെ. ബാലകൃഷ്ണൻ: സർ, ഈ സഭ ആരംഭിച്ചപ്പോൾ ഞാൻ ഈ കാര്യത്തിൽ ഒരു പോയിന്റ് ഓഫ് ഓർഡർ ഉന്നയിച്ചിരുന്നു. ഗവൺമെന്റിന്റെ നയപരിപാടി എന്താണെന്നു രാജപ്രമുഖന്റെ പ്രസംഗം മുഖേനയാണ് പ്രഖ്യാപിക്കേണ്ടതെന്നും എന്നാൽ അത് ഉണ്ടായില്ലെന്നും ഇതിനെ സംബന്ധിച്ച് ഒരു റൂളിംഗ് ഉണ്ടാകണമെന്നുമാണ് ഞാൻ ആവശ്യപ്പെട്ടത്. എന്നാൽ റൂളിംഗ് ഇതുവരെ ഉണ്ടായില്ല. നയപ്രഖ്യാപനം ബഡ്ജറ്റ്പ്രസംഗത്തിൽ ഉണ്ടാകുമെന്നു മുഖ്യമന്ത്രി പറഞ്ഞു. അത് തെറ്റാണ് എന്നു ബോദ്ധ്യമുള്ളതുകൊണ്ട് പ്രതിഷേധസൂചകമായി എന്റെ പാർട്ടിയും വാക്കൗട്ട് നടത്തുന്നു.

(Shri K. Balakrishnan and the members of his party walked out.)

ശ്രീ. എം. പി. മേനോൻ: സർ, മേൽപ്പറഞ്ഞ കാരണങ്ങളാൽ ഞങ്ങളുടെ പാർട്ടിയും വാക്കൗട്ട് നടത്തുന്നു.

(Shri M. P. Menon and his party walked out.)

Dr. A. R. Menon: I want to know, Sir, whether this is a Legislative Assembly or some farce.

Mr. Speaker: You can have your own inference.

BUDGET, 1955-56.

Statement by the Minister for Finance.

Minister for Finance (**Shri Panampilli Govinda Menon**): Sir, I rise to present the annual financial statement of the Government of the State for the year 1955-56.

Before I enter upon my subject, I wish to remind the House that the present Council of Ministers was sworn in only on the 14th February, slightly over a month ago. The circumstances under which this happened are well-known and I need not detail them now. The leader of a Party of seventeen members of this House was running the administration for about eleven months till that date. The leader of such a small group in a House of 118 members was enabled to carry on the administration because of the support given by the largest party in the House viz. the Congress Party. This support was withdrawn towards the end of 1954 and as could be expected the Ministry fell on a no-confidence motion moved by an independent member. The Congress Party, as the largest party in the House, was in due course called upon to form a Government and accordingly the present Government was formed.

It is perhaps natural that this should have generated some amount of bitterness in the minds of those who had to give up power and to move to the opposition benches. I take this opportunity to request them and all other members in the opposition to give the country and the Government the benefit of a constructive and responsible opposition. I most sincerely plead for avoidance of bitterness and rancour in public affairs. They go ill together with patriotism and statesmanship. We have difficult problems to solve, and big tasks to perform, and unless we pull together with discipline and determination the country and the people will suffer. Speaking for the Government, I can assure all sections of the House, that in the discharge of our duties we shall be responsive to fair criticism and sincerely consider the members of the opposition as friends and comrades, interested equally with us in the well-being, prosperity and progress of the people.

ECONOMIC CONDITION

2. Before entering into the details of the Budget, I shall touch on certain aspects of the economic condition now prevailing in the State. In this attempt, I am handicapped by the absence of correct and full statistical data. This was a serious lacuna in the administrative machinery of the State. Quantitative information on various activities of the people of the State was not easily available. Many departments used to collect data for their departmental work but generally this was not being scientifically analysed and presented in a form useful for the people and the Government. The Department of Statistics which has been newly constituted will hereafter analyse the departmental data, strike inter-correlation and present the findings in quarterly statistical bulletins.

We are about to enter the 5th year of the First Five Year Plan. There has been conspicuous increase in agricultural production during this period. I give below in tabular form figures of production of the major crops of our State for the last 5 years.

Figures of production of major crops.

Name of crop	1950-51	1951-52	1952-53	1953-54	1954-55
Cocoanut (million nuts)	(Average for 1950-53)		1826	1871	1935
Paddy (thousand tons)	625	731	687	718	746
Pepper (tons)	(Average for 1950-53)		14300	14500	16700
Tapioca (thousand tons)	do.		1467	1754	1671
Bananas (thousand tons)	do.		175	151	165
Arecanut (million nuts)	do.		2751	2913	3173
Cashewnut (tons)	do.		44000	44000	37000

The table speaks for itself. Except in the case of Cashewnut, there has been an increase in production from year to year. Paddy production has gone up from 6,25,000 tons in 1950-51 to 7,46,000 tons in the current year.

Production of food-stuffs in India has been going up and the food position has ceased to give us anxiety. As the

House is aware, the food problem has been our most difficult problem during the war years and after. Government have been spending crores of rupees on food subsidy since controls began in 1943. Excluding administrative expenses, the total loss sustained on this account is Rs. 16.76 crores till the end of 1954. Out of this, the Central Government have contributed Rs. 8.57 crores and the balance of Rs. 8.19 crores was met from the State revenues. Early in 1954 the food position became easy on account of the increased food production in India as a whole. The Government could relax the control on food grains at about that time. Local procurement of paddy in the State was abolished in April 1954. Statutory rationing ceased to exist from July 1954 on the Government of India removing all controls on rice throughout the country. Large stocks of rice began to flow into the State through normal trade channels and as a consequence the price of rice began to fall. This has been a source of great relief to us because we need provide no more funds for giving cheap food to our people.

Although there has been a rise in agricultural production in our State during the last 4 or 5 years, I have to mention that the prices of agricultural produce have been going down. The price of tapioca has gone down considerably. The production of tapioca in our State in the year 1953-54 has been computed to be of the value of Rs. 17.78 crores. The value of the tapioca produced in 1954-55 has been computed to be Rs. 8.46 crores. This steep fall in the price of tapioca indicates that Government have to do something to help the tapioca cultivators in our State. I take this opportunity to declare that Government will not fail to take adequate steps to meet the situation. As to what steps should be taken is being investigated.

Prices of consumption goods have been going down with the result that the cost of living index has been registering a steady decline. The average cost of living index for the last 5 calendar years from 1950 to 1954 was 351, 337, 356, 354 and 325 respectively. The fall in the cost of living index should be a matter of great relief to the poorer classes in our society.

The population of the State has been growing at the rapid rate of 23.7 per cent per decade as against 13.4 for India. In absolute figures, we are increasing by 1.8 lakhs every year. The immediate result of this population growth

in a country of limited resources and under-developed economy, both agricultural and industrial, has been to increase the volume of unemployment. A recent survey conducted in this State has shown that out of every 100 males over 15 years of age, 44 are regularly employed, 31 have irregular employment and 25 are not at work. Among females, 17% have regular employment, 18% are employed off and on and 65% are without work.

The break-up of the persons who are without work is as follows:—

	Male.	*Female.*
Total	25	65
Students	4	2
Incapacitated due to illness or old age	3	7
Not in search of employment	6	50
In search of employment	12	6

The 50% of females who are not in search of employment are mostly engaged in domestic duties or are not willing to move out in search of jobs.

The educational attainments of persons who are not at work are shown below:—

Educational attainments.	*Male.*	*Female.*
Not at work	100	100
Not literate	25	49
Can read and write only	48	42
Middle School or E. S. L. C.	23	8
Intermediates, Graduates and technically qualified	4	1

It is clear that the standard of educational attainments of the persons who are not at work is certainly low even though our State ranks first in literacy (54% excluding children below 5).

The above statement will show that unemployment is a serious problem which we have to tackle. Certain steps are being taken and they will be detailed hereafter. But I wish to state, as I did on a previous occasion, that the problem of unemployment in our State is a problem which has to be tackled by the National Planning Commission and I hope that it will receive the attention which it deserves at the hands of the Commission.

I shall now proceed to explain some of the important features of the Budget for the ensuing year.

ACCOUNTS 1953-54

3. I shall first review the actuals for the year 1953-54. According to the original Budget Estimates the revenue receipts for the year 1953-54 were estimated at Rs. 1,713.87 lakhs but the actual revenue collections amounted to Rs. 1,687.48 lakhs only. Similarly the expenditure for the year was estimated originally at Rs. 1,727.94 lakhs though the accounts reveal that only a sum of Rs. 1,455.79 lakhs was incurred as revenue expenditure during the year resulting in a revenue surplus of Rs. 231.69 lakhs against the anticipated deficit of Rs. 14.07 lakhs. The reasons for the variations are explained in the Budget Memorandum.

Capital expenditure outside the revenue account amounted to Rs. 525.37 lakhs against Rs. 528.71 lakhs originally estimated. The entire revenue surplus of Rs. 231.69 lakhs and the net receipts under 'Loans and Advances' and under 'Debt and Deposit Heads' together amounting to Rs. 144.71 lakhs were completely utilised for financing the capital expenditure. Over and above these a part of the cash balance was also utilised for the purpose, with the result that the cash balance declined to Rs. 218.26 lakhs at the close of the year.

REVISED ESTIMATES, 1954-55

4. The Budget Estimates for the current year provide for a revenue of Rs. 1736.17 lakhs and an expenditure of Rs. 1794.55 lakhs, thus leaving a deficit of Rs. 58.38 lakhs. Taking into account the Supplementary Grants sanctioned during July 1954 Session of the House, the deficit anticipated rose to Rs. 146.40 lakhs. The total revenue for the year is now estimated at Rs. 1705.86 lakhs, thus recording a fall in revenue to the extent of Rs. 30.31 lakhs. On the expenditure side, the revised estimates fall short of the Budget Estimates by Rs. 106.56 lakhs. Consequently the current year is expected to close with a revenue surplus of Rs. 17.88 lakhs. As the variations between the original Budget Estimates and the Revised Estimates are fully explained in the Budget Memorandum, I do not propose to enumerate them now.

On the capital side the expenditure this year is now estimated at Rs. 44.59 lakhs as against the original budget of Rs. 361.55 lakhs. This large saving is the net result of a number of variations, the most significant of which is under the head "Capital Outlay on State schemes of Government Trading" where additional receipts are now expected owing to the disposal of the accumulated stock of rice.

BUDGET ESTIMATES, 1955-56

5. For the next year the revenue is estimated at Rs. 1718.36 lakhs and the expenditure at Rs. 2156.12 lakhs, resulting in a revenue deficit of Rs. 437.76 lakhs.

This might sound a bit alarming, but I do not think that there is any reason for us to feel alarmed over this unusual deficit. The transactions of the 4 years beginning with 1951-52 are expected to result in a revenue surplus of Rs. 724.62 lakhs. In view of this saving during the last 4 years, there is no reason to apprehend that the deficit, which is anticipated in the next year's budget, will weaken the State's financial position.

Under the Federal Financial Integration Agreement which this Government has entered into with the Government of India, the net revenue gap to be re-imbursed from the Government of India for the first 5 years is as follows:—

	(Rs. in lakhs)
1950-51	305.33
1951-52	305.33
1952-53	305.33
1953-54	280.00
1954-55	280.00

For the next year, which is the sixth year of the Agreement, we could have received only a reduced contribution of Rs. 268.51 lakhs but I am glad to inform the House that it has been possible for the Government of India to agree that we shall have the same contribution next year which we received this year.

TAXATION

6. As the Honourable Members are aware the Taxation Enquiry Commission appointed by the Government of India to enquire into the taxation system in the Union and in the States and to suggest reforms have just submitted their report. I have had no time to examine closely the recommendations of the Commission. These recommendations will be examined during the course of the next year and such modifications in our tax system as may be called for will be brought into effect with the concurrence of this House.

ESTATE DUTY

7. We are not anticipating any additional revenue from fresh taxation except a small revenue from Estate Duty. Under Article 269 of the Constitution, "duty in respect of succession

to property other than agricultural land shall be levied and collected by the Government of India but shall be assigned to the States and shall be distributed among those States in accordance with such principles of distribution as may be formulated by Parliament by law". Parliament has not enacted any law as contemplated by this Article and pending enactment of the necessary legislation, the Union Government have agreed to apportion the net proceeds from Estate Duty among the various States in the same proportion as the divisible pool of incometax. Accordingly, during the current year and the next year the State will get 2.5% of the net proceeds of the Duty. We have taken credit for an amount of Rs. 2½ lakhs for this year and Rs. 6½ lakhs for the next year under this head. This is according to information received from the Government of India. The House might remember that the other day we passed a resolution under Article 252 of the Constitution providing for the levy of Estate Duty on agricultural lands within the State. We are taking credit for a revenue of Rs. 3½ lakhs under this head for the next year.

BETTERMENT LEVY

8. Irrigation works constructed in recent years and those that are under construction or are contemplated are much more expensive than those built in the past. The owners of lands benefited by these projects, apart from deriving larger annual profits from them, get the advantage of substantial increase in the land value at the expense of the general taxpayer. It is only legitimate that the persons who derive such an un-earned increment should pay a reasonable contribution to the revenues of the State for the benefits they reap. Thereby alone will the Government be enabled to plough back more money for further development. Government have therefore decided to introduce a Betterment Levy on lands benefited by irrigation works. We are taking credit for an amount of Rs. 6 lakhs under this head.

WATER CESS

9. Government have also decided that a Water Cess should be levied on lands coming within the ayacut of new irrigation projects. The necessary legislation is being introduced.

SALES-TAX

10. It is proposed to abolish sales tax on handloom products and at the same time levy an enhanced rate of sales tax on

mill-made cloth. It is also proposed to introduce a single-point system of sales tax on cash-crops like Ginger, Cardamom, Lemon Grass Oil, Turmeric, Pepper and Copra. These measures are expected to bring in a net additional revenue of Rs. 15 lakhs during the next year.

Government propose to levy sales tax on motor spirit including petrol at a single-point but at an enhanced rate. An additional revenue of Rs. 5 lakhs is anticipated on this account. The House will see that the proposals above referred to are not intended to increase the incidence of sales tax. They are only changes in the procedure for collection of sales tax, intended for the convenience of the assessees and the department.

TAX ON MOTOR VEHICLES

11. The private Motor Transport operators have been representing that Motor Vehicles tax in the State is too high. The Motor Vehicles tax at present is Rs. 30 per seat per bus for seating capacity and Rs. 10 for standing capacity, for a quarter. This, it has been pointed out, is the highest in India. Government appointed a Committee to report on the minimum wages to be paid for employees in public motor transport whose recommendations were accepted and are being enforced. In their report, which was unanimous, the Committee pointed out that "the present Vehicle tax in the State is too high and has crippled the motor transport industry. A substantial reduction is very necessary if the transport industry is to survive as a public utility service." Honourable Members of this House belonging to the various Parties including the Leader of the Opposition were Members of this Committee, and in deference to their opinion, it is proposed to reduce the tax to Rs. 25 per seat for seating capacity and Rs. 8 for standing capacity. This will be implemented from the beginning of the next financial year.

PROHIBITION

12. It has been decided to extend prohibition to the Kottarakkara Taluk next year.

PROGRAMME OF EXPENDITURE

13. We are providing in the Budget substantially large amounts than in any previous year for expenditure both under revenue and capital account. I should now explain what this increased expenditure represents in terms of programmes and targets we are proposing for the next year.

I shall first refer to the Five Year Plan. We are completing four years of the Plan by 31st March 1955 and entering the last year of the Plan. The total cost of the Plan now stands at Rs. 30.04 crores as against the original provision of Rs. 27.32 crores. The increase has been mainly due to the increased outlay on irrigation (Rs. 1 crore), power (Rs. 1.50 crores), communications (Rs. 0.25 crore) Medical and Public Health (Rs. 0.21 crore), Uplift of Backward classes (Rs. 0.14 crore) and anti-sea erosion measures (Rs. 0.11 crore), off set by some reduction of allotment for Forests. At the end of this year our total expenditure for the Five Year Plan would stand at Rs. 19.53 crores which works out to 65.01% of the target. The balance which remains to be spent in the last year of the Plan is Rs. 10.51 crores which is about double the revised estimate for Five Year Plan works in the current year *viz.,* Rs. 582 lakhs. The Government want to see that the Five Year Plan works are completed according to schedule. Not to do so will be a failure of the duties imposed by ourselves upon us. Therefore a total amount of Rs. 10.20 crores has been provided in the next year's budget for the Five Year Plan Schemes. It is hoped that our Officers and the Public will realise the importance of completing the Plan during the period of the Plan itself and see to it that we attain the target during the next year. By this provision of Rs. 10.20 crores, the total outlay on the Plan by the end of the year 1955-56 will stand at Rs. 29.73 crores. This works out to 98.97% of the target. Gaps in the heads like "Minor Irrigation", "Cottage Industries" etc., are responsible for this short-fall in achievement. But we have taken up new schemes like Colonisation, and small Industries which are being included in the Plan. This will slightly raise the target for the Plan. Taking into consideration the allotments in the budget for these items also, we hope to attain the target for the Plan fully at the end of the next year. Considering our resources, I believe, it would be praiseworthy achievement if we accomplish this task in the next financial year. Government will take determined steps to achieve this result.

For the first four years of the Plan the Government have been able to finance the schemes with the revenue surpluses of the past years, Debt Heads receipts, Open market loans and Central assistance. The tempo of development and the flow of expenditure on the Plan will reach the climax next year.

This heavy programme of expenditure for the Five Year Plan works provided for next year calls for delegation of more

powers to the Departmental Heads and their subordinates particularly of the Public Works and Electricity Departments. It has therefore been decided to delegate wide powers to these Departments. Orders have already been issued delegating such powers to the Electricity Department. Similar orders will be issued immediately with respect to the Public Works Department.

A NEW DEAL TO THE CIVIL SERVICE AND PRIVATE SCHOOL TEACHERS

14. We have sanctioned a comprehensive revision of salary scales to all categories of public servants including teachers in recognised private schools. The pay revision orders will be implemented with effect from the 1st of April 1955. Side by side with the revision of pay of Government Servants it has been decided to revise the pay of the Graduate Teachers of Private Secondary Schools who will be placed in the scale of Rs. 50-150, the same as that sanctioned to the Second Grade Graduate Teachers in Government Service. It has also been ordered that the pay of the Primary School Teachers will be raised to Rs. 35-80 and that liberal grants-in-aid will be given to teachers in Private Primary Schools. The Middle School Teachers are covered by the P. S. S. Scheme and they will get the same salary as Middle School Teachers in Government service.

The average annual cost of the revision of pay of Government servants is estimated at Rs. 93.86 lakhs for the Non-Gazetted staff and Rs. 10.5 lakhs for the Gazetted ranks. The full commitments of the scheme will, however, be reached only after a few years. For the next year an extra provision of about Rs. 42 lakhs on this account is deemed sufficient. The average excess cost involved in the revision of pay of the Graduate Teachers under the P. S. S. Scheme is estimated at Rs. 2.62 lakhs per annum and that involved in the enhancement of grant to the teachers of the Private Primary Schools is estimated at Rs. 46.87 lakhs per annum. As in the case of revision of pay of Government Servants a lesser provision of Rs. 32.50 lakhs is considered adequate for the year 1955-56.

We have decided that the maximum salary of a Government Servant borne on the State Service shall be Rs. 1,000. The ratio between the emoluments of the lowest paid employee of Government and the highest paid Government Servant borne on the State Service will thus be 1 : 20.

The orders already issued in the matter of revision of pay scales require scrutiny in many respects. It has not been possible for Government to bestow as much care as they ought to in the matter of drawing up a comprehensive scheme. There are omissions, there are anomalies, and these require to be rectified. Government have received representations from various categories of Government Servants drawing the attention of Government to these defects and anomalies. In order to remove them and put the entire scheme on a scientific basis we have appointed a Pay Commission and the orders on the recommendation of the Pay Commission will be implemented with retrospective effect from 1st April 1955. All Heads of Departments will be requested to put forward the case of their subordinates before the Pay Commission. Recognised Associations of service personnel will have an opportunity to present their case before the Commission. It is hoped that this will give full satisfaction to our Government Servants.

RELIEF OF UNEMPLOYMENT

15. I have referred above to the problem of unemployment in our State. This problem is naturally one of considerable anxiety to us. Though nothing spectacular could be achieved during a short span of time I make bold to assert that the Budget presented before you evidences earnest efforts on our part to ease the situation. Provision of large amounts for public works—almost double the amount which has been provided in the current year's Budget—will result in employment to large number of persons. The completion of the works contemplated is bound to create permanent employment on a fairly large measure. The vigorous programme of electrification contemplated in the Budget will afford permanent employment opportunities to large sections of people. A lasting solution to the problem of unemployment could be achieved only by a planned development of cottage and small scale industries. The team of experts sponsored by the Ford Foundation has declared that the future of India lies in the development of small scale industries. Government largely agree with this view. A beginning has already been made in this direction. On the advice of the International Team of Experts, the Government of India have established four Regional Institutes for Small Industries, a Marketing Service Corporation and a Small Industries Corporation. It is hoped that a branch of the Regional Institute for the Southern Region will be established in this State. The post of Joint Director of Small Industries

has been created in order to plan and co-ordinate the development of small industries in our State. The State Government have also done their best to encourage the expansion of industrial output and to resuscitate the indigenous industries. The Handloom Development Scheme and the Coir Development Scheme will continue to receive special attention. Already 10,000 members of the weaving community have been brought into the co-operative fold. All efforts will be made to achieve further progress in this direction in the course of the next financial year.

INDUSTRIAL REGENERATION

16. The Travancore-Cochin Finance Corporation established about 15 months back has proved to be a boon to industries in the private sector. The Corporation has till date sanctioned loans to the value of Rs. 37.46 lakhs to industrial concerns working in this State. Further, Government have followed a bold policy in resuscitating industrial concerns with large employment potential which had been languishing for want of capital or other facilities. Thus the Sitaram Spinning and Weaving Mills Ltd., Trichur, and the Cochin Mahalakshmi Cotton Mills Ltd., Mulankunnathukavu are being run departmentally by the State. The Electrical and Allied Industries (Travancore) Limited, Kundara, has just been re-opened under Government auspices. The production programme of this engineering industry will be so planned as to produce finished goods required for the use of the electricity and other departments of the State. In taking these steps with respect to these three industries, Government have made a bold departure from conventional practice and this has been done solely in the interest of the working classes of the State. The heavy responsibilities, financial and administrative, which these steps have thrown on the Government have been largely compensated by the general welfare that they have brought to thousands of workers and their families and the resultant prosperity to the country as a whole.

The capital budget includes a provision of Rs. 50 lakhs for starting new major industries in the State. This is over and above Rs. 25 lakhs provided under 'Debt Heads' for investments in debentures of new industrial projects. Apart from the schemes for major industries proposed for inclusion in the Second Five Year Plan, the Government have currently under active consideration five specific schemes for major industries

in respect of which tentative proposals have been received and negotiations are going on between the sponsors and the Government. In all these cases financial assistance of the Government by way of share participation and loan assistance would be necessary. It is for this purpose that an amount of Rs. 75 lakhs has been provided under two different heads in the Budget.

While on this question of industrialisation and eradication of unemployment, I should address a few words to the House on the problems of labour in our State. An examination of the condition of industries for the last ten months reveals that 335 strikes and six lock-outs have occurred involving an aggregate loss of 4,94,000 man-days. It goes without saying that the loss of 4,94,000 man-days is a national loss which no section of the community can regard with equanimity. For want of data the loss in production and the consequent reduction in national income have not been estimated. This loss is bound to be large. The economic effect of the non-utilisation of the available man-power, active and potential, has disastrous consequences on national prosperity. The Labour Department has been exerting a benevolent influence in maintaining cordial relations between the employer and the employed. The Department has been instrumental in the settlement of labour disputes through conciliation, adjudication and arbitration. May I Sir, avail myself of this occasion to make an earnest appeal to all sections of the House and through them to the people of the State to create within the State an atmosphere of industrial peace and harmony so that enterprising industrialists who might be interested in investing their capital within the State may not be frightened away by fear of frequent strikes and lock-outs. This is very necessary particularly to-day, on the eve of the inauguration of the Second Five Year Plan with greater emphasis on industries.

MAJOR IRRIGATION

17. The major irrigation schemes included in the First Five Year Plan are:—

1. The Vazhani Scheme
2. The Peechi Scheme
3. The Chalakudy River Diversion Scheme (First Stage)
4. The Vembanad Scheme or Kuttanad Development Scheme
5. The Neyyar Scheme, and
6. The Perinchani Scheme.

Of these six schemes, the work on the Perinchani, otherwise known as Kòthayar Extension Scheme and its components, has been completed and the benefits under the scheme have begun to accrue since last year. The Thottapally Spillway, the more important component of the Kuttanad Development Scheme has also been completed. Work on the Thannirmukkam bund, the other component of the scheme has been held up because of objections raised by the Cochin Port authorities. These objections are being examined by a Committee of experts. Works on the Vazhani, Peeche, Chalakudy and Neyyar Schemes are progressing steadily. The Peechi and Chalakudy Schemes have begun to cater to the irrigation needs of the surrounding villages. This year water was supplied to about 4,000 acres in October—December and to 20,000 acres of kole lands in January out of the Peechi lake. From the Chalakudy river diversion project, water was supplied to about 16,000 acres during the year. All the above schemes will be completed, positively next year.

COMMUNICATIONS

18. From various sources of revenue, about 550 miles of road have been special-surfaced and rendered dustless during the four years of the Plan. Next year we propose to have a more active programme of road surfacing and it is proposed to special surface 250 miles of road. We shall thereby have a complete dustless road from Cape Comorin to Shoranur *via* Quilon and Alleppey and another *via* Kottarakara and Kottayam. In addition, the main cross roads also will become dustless by the end of the next year.

BRIDGE CONSTRUCTION PROGRAMME

19. The First Five Year Plan for State roads (as distinct from the National Highways) provides for the construction of 13 major bridges in the important river crossings. They are:—

1. The Palai bridge (in Meenachil taluk)
2. Mallappally bridge (in Tiruvella taluk)
3. Moolaplackal bridge (in Changanacherry taluk)
4. Ithipuzha bridge (in Vaikom taluk)
5. Meerancadavu bridge (in Chirayinkil taluk)
6. Erattupettah bridge (in Meenachil taluk)
7. Thondara bridge (in Tiruvella taluk)
8. Kakkadassery bridge (in Moovattupuzha taluk)
9. Kumbazha bridge (in Pathanamthitta taluk)
10. Cherai bridge (in Parur and Cochin-Kanayannur taluks)

11. Pulloot bridge (in Cranganore taluk)
12. Ithynayarkadavu bridge (in Thiruvalla and Mavelikara taluks) and
13. Piravom bridge (in Moovattupuzha taluk)

Of these items 1 and 2 have been completed. 3, 4, 5, 6 and 7 are in good progress and will be completed in the next year. All the remaining 6 bridges will be taken up for execution next year.

Besides the major bridges referred to above the Department of Public Works has, during this period, constructed several small bridges and culverts on various roads distributed throughout the State. Such for example are:—

The Konathattu bridge on Kottayam-Kumaragom road.
The Peringarai bridge on Thiruvalla-Mepral road.
The Valiathodu bridge on Ranni-Kumbanad road.
The Perumpeedi bridge.
The bridges across T. S. Canal at 21st mile at Chanthaithurai and Puthenthoppu.
The Chittar bridge in Perumkadavila on Kunnathukal road.
The Samboorvadakara bridge.
The Cheriapalam in Parur.
The Vaduthala bridge.
The Karanchira bridge.
The Poyya Puthenvelikara bridge; and
The Perumpuzha bridge.

To this active programme of bridge construction should be added the bridges which have been constructed or are proposed to be constructed on the National Highways, with funds supplied by the Government of India. The Chavara bridge has already been constructed. It is understood that the Mangalapuzha bridge and the Aroor bridge will be taken up next year. Funds have been allotted by the Central Government for the reconstruction of the Kannettil and Thottappally bridges, for redecking the Neendakara bridge, and for reconstructing the weak bridges in the northern sections of the National Highway. This work will be taken up next year.

Government have sanctioned two State Five Year Plans for the development of village communications in the State. The First of these plans is in the fourth year of operation at present. About three hundred miles of road have been improved and taken under departmental maintenance as per this plan and work on many roads is in progress. The budget for

1955-56 provides an amount of Rs. 21 lakhs for this category of works, both for works in progress and for new works to be taken up. This statement however does not give a complete picture of the village road development programmes of the State. There are liberal provisions in the budget under the Community Projects and National Extension Service, and Panchayat Departments for road programmes.

The work on the Alleppey-Changanacherry road is in progress and will be completed next year.

Various medium irrigation and reclamation works have been completed during the last 4 years and some more are proposed to be completed next year. The reclamation of Kari lands in Thottappally, the channel improvement works in South Travancore, opening of the Kuttapuzha canal in Thiruvalla taluk, the Chalakkal canal and the Mulakkachira canal in Changanacherry taluk are some of the items which have been completed. Next year it is proposed to remodel the irrigation canals in South Travancore, to improve the irrigation system in Chittur taluk and to take up the Vilathura irrigation scheme in Vilavancode taluk. Funds have been provided for these works.

Mention may be made here of the Urban Water Supply and Drainage schemes which the Government propose to execute during the next year under the National Water Supply and Sanitation Scheme. Work on the Trichur Water Supply Scheme has already commenced and a provision of Rs. 25 lakhs has been made for the purpose in the budget. The extension of Water Supply in the Municipal towns of Ernakulam and Mattancherry will also be taken up next year. Work on the extension of drainage scheme in Trivandrum will also commence next year. The Water Supply Schemes for Quilon, Kottayam and other towns are under investigation as also a drainage scheme for Ernakulam.

ELECTRICITY PROGRAMMES

20. We have great achievements to our credit in the matter of power development and distribution in the State. The major works taken up during the last four years were (1) the extension of the Pallivasal Hydro-Electric Scheme, and construction of a Storage Reservoir at Mattupetti, (2) the Sengulam Hydro-electric Scheme, (3) the Poringal Hydro-electric Scheme and (4) transmission and distribution of electric supply to 800 new Rural areas. Of these, the Pallivasal extensions have been completed and the capacity of that Station brought

up to 37,500 Kilo Watts. The Mattupetti Storage Dam has also been completed but for the installation of the Spillway gates and sufficient storage of water to tide over the summer deficiency has been effected this year. The works of the Sengulam Hydro-electric Scheme, which has a capacity of 48,000 K. W., are almost complete and the Station has been brought into commercial operation to three-fourths of its capacity recently. Practically all the civil works of the Poringal Project are over and the erection of the generating plant is now in progress. The station will be complete in all respects and brought into operation towards the end of the coming year, if not earlier. The other schemes will also be completed next year.

Under the transmission and distribution scheme, the plan originally provided for electrifying 800 villages and connecting 50,000 consumers to the system by the end of the Plan period. By the end of the current year, 550 centres would have been additionally electrified and 45,000 new consumers connected to the system. As a result of insistent demand from various rural areas for power supply, it has been decided to extend the plan for transmission and distribution by the provision of an additional sum of Rs. 85 lakhs for rural electrification in 1955-56. This expanded programme would provide for the electrification of 950 rural centres by the end of the next financial year and for the supply of electricity to 60,000 consumers.

There has been a steady increase in the demand for electricity, both from industrial and other consumers, with the result that it is anticipated that unless new schemes are taken up for execution immediately, a power shortage might result some years later. It was therefore decided, in consultation with the Planning Commission, to include a new scheme, namely the Neriamangalam scheme also, in the Plan. Work on this scheme has already been started in January 1955 and the scheme is expected to be completed by 1958. This will increase the power supply by 45,000 Kilo Watts. The commencement of this scheme was also intended to provide gainful employment to the skilled staff who are being disbanded from Power Projects like Sengulam and Madupetty, which are nearing completion.

Government have realised the vital role electricity plays in improving the economic and social conditions of the people of this State. During the early years of development, attention was mainly concentrated on electrifying urban areas but

under the current Five Year Plan, rural electrification has received a special impetus. With the expansion of rural electrification, there has been a marked increase in the utilisation of electricity for domestic, agricultural and industrial purposes. 50,000 acres of paddy fields in the Central and Northern parts of the State are now being dewatered for cultivation by electric power. During the next year a provision of Rs. 35 lakhs has been provided to extend electricity for agricultural purposes. So far, extension of electric supply used to be sanctioned on an anticipated return of 10% on the capital cost. With a view to develop remote areas, Government have sanctioned the taking up of rural electrification schemes even where the anticipated return is only 5%. In exceptional cases, extensions will be sanctioned even where the anticipated return is lower.

We have thus planned for a vigorous electricity programme for the next year.

MEDICINE AND PUBLIC HEALTH

21. The Budget before the House contains substantially larger provision under various heads for the Medical Department. We are of the view that there should be at least one Hospital in every taluk in the State. At present that requirement has not been fulfilled. Accordingly we propose, as a first step, to provide 3 new Hospitals next year by upgrading the dispensaries at Thodupuzha, Haripad and Pathanapuram. The K. V. Sanatorium at Mulakunnathukavu is proposed to be expanded by building a new block of 32 beds. A new block in the Civil Hospital, Trichur, will be opened in 3 months' time. The District Hospital at Quilon will be improved next year by the establishment of a new block with 50 to 60 beds. Two new blocks are under construction in the Nagercoil T. B. Hospital and the available beds there will thereby be increased by 64. A Maternity Ward is under construction in the Changanacherry Hospital. This will be completed in 3 months' time and will have 32 beds. Ten new dispensaries will be opened next year. Seven of them will be at Thelliyur, Vakkom, Elanji, Manimala, Kesavapuram, Pampakkuda, and Chadayamangalam, where buildings are being made available by the local public.

Seven T. B. Seal Wards will be opened in the course of the next year and they will be at Alleppey, Alwaye, Chittur, Chalakudi, Muvattupuzha, Kozhencherry and Chengannur.

The provision in the current Budget for purchase of medicines and equipments is Rs. 19 lakhs. We consider this to be inadequate and therefore for the next year we have provided Rs. 30 lakhs for purchase of medicines and equipments. I hope

the House will agree that this is a great advance from the present position. The provision in the current Budget of Rs. 14.9 lakhs for dietary charges has been increased in the next year's budget to Rs. 17.25 lakhs.

Under Public Health, a major programme for development of rural water supply and sanitation is proposed during the next financial year. Two Hydraulic drilling machines have been ordered and they are expected to arrive in a few weeks. One of them is intended for the Panchayat Department. With these drills it is hoped it would be possible to complete one deep tube-well in less than a week. A programme has been chalked out by the Public Health Department according to which it is proposed to complete 200 tube wells along the coastal areas within 2 years. For working out this scheme an engineering branch has been constituted in the Public Health Department.

Four Rural Water Supply and sanitation projects are being started in the State, one in Nanjinad covering the Villages of Agasteeswaram, Kanyakumari, Kulasekharapuram, Eraviputhoor, Suchindram, Marungoor, Theroor, Thovala, Chempakaramanputhoor, Thazhakudi and Thiruppathisaram; one in Kuttanad covering the villages of Kainakary, Nedumudi, Thakazhi, Champakulam, Pulinkunnoo, Chennankary, and Ramankary; one in Vypeen Island covering the villages of Pallippuram, Kuzhupilli, Edavanakad, Nayarambalam, Narackal and Elamkunnapuzha and one in Mavelikara-Thiruvella Taluks covering the villages of Kannamangalam, Thazhakara, Mavelikara, Chennithala, Thripperunthura, Kurattusseri, Kadapra, Mannar and Chengannoor. These programmes will cater to the needs of 3.5 lakhs of our rural population.

AGRICULTURE

22. The most important programme under Agriculture for the next year is the opening of a combined College for Agriculture and Veterinary Sciences. A tentative scheme has been drawn up and sent to the Government of India for approval because their assistance is being sought for the starting of the College. A provision of Rs. 14.5 lakhs has been made in the budget for this purpose. One demonstration centre in each of the 500 and odd Panchayats of the State will be opened next year to stimulate interest in the Japanese method of cultivation of paddy. The other usual activities of the Agricultural Department including subsidised supply of manure and insecticides will continue.

ADVANCEMENT OF BACKWARD COMMUNITIES

23. The provision in the current year's budget for educational facilities to the backward communities is Rs. 10.43 lakhs. The advancement of backward communities is a programme of national development for which better provision has to be made and accordingly in the next year's budget Rs. 13.25 lakhs has been provided for educational concessions to backward communities and another sum of Rs. 1.2 lakhs for Adult Education activities among them. Funds have also been set apart for providing medical aid and for other schemes for the amelioration of the living conditions of this section of society.

PANCHAYATS & MUNICIPALITIES

24. It is proposed to constitute a Local Self Government Department for looking after the Municipalities and the Panchayats. A provision of Rs. 22.89 lakhs has been made in the budget for giving loans to the Municipalities which stand in need of funds. In the current budget the provision is only Rs. 1.89 lakhs. It is also proposed to give establishment grants to the Panchayats. They are languishing for funds and Government consider that it is necessary to help them with such grants. An amount of Rs. 3 lakhs has been provided in the budget for this purpose. Government's policy would be to give these Local Self Governing institutions more and more powers.

EDUCATION

25. The Education budget of the State is swelling from year to year. The budget grant under education that stood at Rs. 2.64 crores in 1950-51 rose to Rs. 3.81 crores in 1953-54 and crosses the five crore mark in 1955-56. Still it is proposed to make education free next year in Form III. The Secondary Education Commission has suggested a reorientation of the prevailing system of Secondary Education. A Special Officer has been appointed to implement the recommendations of the Commission. With the assistance of the Government of India, this Government propose to implement the recommendations of the Commission relating to the introduction of diversified courses of study in 20 schools during the course of the next year. For this a provision of Rs. 36.48 lakhs has been made in the budget. Government have accepted the policy of gradually converting the Primary Schools into the Basic Type. Steps are being taken to start three Basic Training Schools and to convert some of the Primary Schools into the Basic Type from the next

educational year. The target fixed for 1955-56 is 8 Training Schools and 24 Basic Schools. An amount of Rs. 3 lakhs has been provided in the budget for grants to libraries. This is about double the amount provided in the current year's budget.

I have referred above to some and not all of the programmes of activities for the next year. The governing consideration in framing the Budget has been, the completion of the First Five Year Plan according to the targets already fixed. This vigorous programme for expenditure resulting in a revenue deficit of Rs. 4.38 crores leads me to the question of ways and means.

Over and above the revenue deficit of Rs. 437.76 lakhs, funds have also to be found for capital programmes amounting to Rs. 621.55 lakhs. When these two items are set against the opening cash balance of Rs. 472.32 lakhs a gap in resources to the extent of Rs. 586.99 lakhs results. How to bridge this gap is the problem which confronts Government.

The Government of India have promised a loan assistance of Rs. 250 lakhs for financing the expenditure on the Five Year Plan in 1955-56. They have also been approached for a further loan of Rs. 100 lakhs to finance the rural electrification scheme. These amounts have been taken credit for in the budget. The transactions of the year under 'Loans and Advances' and 'Debt Heads' including the Government of India loan assistance of Rs. 350 lakhs are estimated to bring in a net receipt of Rs. 584.52 lakhs. These items will reduce the gap in resources to Rs. 2.47 lakhs. To provide a comfortable working balance, Government propose to borrow Rs. 200 lakhs in the open market. The year 1955-56 is thus expected to close with a cash balance of Rs. 197.53 lakhs.

Sir, although my statement is becoming rather long, I should not conclude without making a few observations on the Second Five Year Plan. Steps are in progress for the drawing up of this Plan. Eradication of unemployment by providing more jobs will be one of the major objectives of the Second Five Year Plan. Certain plans for major irrigation and power development have been drawn up and submitted to the Planning Commission. Investigation of almost all power schemes which are proposed to be included in the Second Plan is complete. A few more schemes are being investigated. A special team of Engineers under the leadership of a Deputy Chief Engineer is engaged in the investigation of major irrigation and water supply schemes. Plans for all development Departments of

Government have been drawn up and are under various stages of scrutiny.

CONCLUSION

26. Sir, let me now conclude. I have attempted to give the House a clear picture of the State's budgetary position and a broad outline of some of the plans and policies which we intend to pursue next year. We have great tasks ahead and I hope that with the co-operation which I believe would be forthcoming from all sections of the House it would be possible for Government to complete these tasks and bring about welfare and prosperity to the people of the State.

Mr. Speaker: Order, Order. The House will now adjourn and meet again at 8 a. m. on Thursday the 24th March 1955.

The House adjourned at 11-10 a. m. to meet again at 8 a. m. on Thursday the 24th March 1955.